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Programme budget for the biennium 1998–1999

Report of the Fifth Committee

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I. Introduction

1. The previous recommendations made by the Fifth Committee to the General Assembly under agenda item 113 appear in the reports of the Committee contained in documents A/53/485 and Add.1.

2. The Fifth Committee resumed its consideration of the item at its 48th, 51st and 54th meetings, on 11, 19 and 31 March 1999. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/53/SR.48, 51 and 54).

3. In addition to the documents listed in A/53/485, the Committee had before it the following documents:

(a) Addendum to the tenth progress report of the Secretary-General on the Integrated Management Information System project (A/53/573/Add.1);

(b) Note by the Secretary-General transmitting the study of the Integrated Management Information System conducted by independent experts (see A/53/662 and Corr.1);

(c) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the increase in costs of the Integrated Management Information System development contract (A/53/829);

(d) Letter dated 17 February 1999 from the Chargé d'affaires a.i. of the Permanent Mission of Cuba to the United Nations addressed to the Secretary-General (A/53/837);

(e) Note by the Secretary-General on the impact of the implementation of pilot projects on budgetary practices and procedures (A/C.5/53/53 and Corr.1).

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II. Consideration of proposals

A. Draft resolution A/C.5/53/L.41

4. At the 54th meeting, on 31 March, the Chairman of the Committee introduced a draft resolution entitled "Integrated Management Information System" (A/C.5/53/L.41), following informal consultations.

5. At the same meeting, the Committee adopted draft resolution A/C.5/53/L.41 without a vote (see para. 13, draft resolution I).

B. Draft resolution A/C.5/53/L.42

6. At the 54th meeting, on 31 March, the representative of Bangladesh and coordinator of informal consultations introduced a draft resolution entitled "Development Account" (A/C.5/53/L.42), submitted by the Chairman following informal consultations.

7. Before the adoption of the draft resolution, statements were made by the representatives of the Russian Federation and Cuba (see A/C.5/53/SR.54).

8. The Secretary of the Committee replied to a question posed.

9. At the same meeting, the Committee adopted draft resolution A/C.5/53/L.42 without a vote (see para. 13, draft resolution II).

10. After the adoption of the draft resolution, statements in explanation of position were made by the representatives of Guyana (on behalf of the States Members of the United Nations that are members of the Group of 77 and China), Germany (on behalf of the States Members of the United Nations that are members of the European Union and Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Cyprus), Mexico (on behalf of the States Members of the United Nations that are members of the Rio Group), New Zealand (on behalf of Canada, Australia and New Zealand), Guatemala, Japan, the United States of America, Pakistan and Indonesia (see A/C.5/53/SR.54).

C. Draft decision proposed by the Chairman

11. At the 51st meeting, on 19 March, the Chairman orally proposed a draft decision concerning the impact of the implementation of pilot projects on budgetary practices and procedures.

12. At the same meeting, the Committee adopted the draft decision without a vote (see para. 14).

III. Recommendations of the Fifth Committee

13. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I

Integrated Management Information System

The General Assembly,

Recalling its resolution 52/212 B of 31 March 1998,

Reaffirming its resolution 52/227 of 31 March 1998 and section VII of its resolution 53/214, of 18 December 1998,

Having considered the tenth progress report of the Secretary-General and the addendum thereto,[1] the study of the Integrated Management Information System conducted by independent experts,[2] the related report of the Advisory Committee on Administrative and Budgetary Questions,[3] and the report of the Office of Internal Oversight Services on the increase in costs of the Integrated Management Information System development contract,[4]

1. *Takes note with concern* of the findings contained in the report of the Office of Internal Oversight Services on the increase in costs of the Integrated Management Information System development contract,[4] in particular that:

(a) With careful planning, proper identification of needs and more adequate preparations, the cost increase could have been reduced;

(b) Delays in promptly addressing deficiencies through concerted action in each phase of the development and implementation process have led the Organization to place undue reliance on the contractor;

(c) Insufficient progress has been made with respect to long-term operational support, software maintenance and staff training functions and, consequently, the reliance on the Integrated Management Information System project team and perhaps even the contractor is unlikely to diminish in the near future;

(d) There is no assurance that implementation problems similar to those experienced in previous years will not recur in the case of remaining releases, resulting in the possibility of further cost escalations;

2. *Notes also* the observations of the Office of Internal Oversight Services that in large and complex software development contracts some out-of-scope work is a common occurrence;

3. *Regrets* the lack of adequate participation of the main user departments in the development and implementation phases of the system, which led to increased costs;

4. *Requests* the Secretary-General to ensure that the institutionalization of the Integrated Management Information System by the main user departments is completed as soon as possible;

5. *Reiterates its deep concern* about the time and cost overruns for the completion of the project;

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[1] A/53/573 and Add.1.

[2] See A/53/662 and Corr.1.

[3] A/53/7/Add.7. For the final text, see *Official Records of the General Assembly, Fifty-third Session, Supplement No. 7*.

[4] A/53/829.

6. *Requests* the Secretary-General to ensure that problems similar to those experienced previously do not recur;

7. *Notes* that the services required from the main contractor will end by the end of 1999, with the exception of warranty-related activities;

8. *Encourages* the Secretary-General to make use of any potential for improving efficiency through streamlining existing work flows and processes through more effective use of the Integrated Management Information System;

9. *Requests* the Secretary-General to take all corrective measures required to make the system fully operational and avoid further delays and unnecessary increasing costs in the implementation of the project, taking into account the observations and recommendations contained in the report of the Office of Internal Oversight Services[4] and the study conducted by independent experts;[2]

10. *Decides* that the resources required to conclude the development of the system by August 2000 shall not exceed 77.6 million United States dollars;

11. *Reiterates* the need for a comprehensive programme for Integrated Management Information System training to be included as part of the ongoing training programme offered to staff at all duty stations concerned;

12. *Requests* the Secretary-General to include information on the implementation of paragraphs 3 and 4 of its resolution 52/212 B of 31 March 1998 in future progress reports on the Integrated Management Information System;

13. *Also requests* the Secretary-General to clearly establish roles, responsibilities and accountability of all offices and staff concerned in the implementation of the remaining releases and to report thereon in his next progress report;

14. *Further requests* the Secretary-General to maintain an effective monitoring system to ensure that implementation problems are addressed properly as they arise;

15. *Decides* to approve an additional appropriation of 3.2 million dollars under section 27D of the programme budget for the biennium 1998–1999, to be charged to the contingency fund and to be reflected in the assessment to be determined on the basis of the final appropriation for the biennium 1998–1999.

Draft resolution II

Development Account

The General Assembly,

Recalling its resolutions 52/12 B of 19 December 1997, 52/220 and 52/221 A of 22 December 1997 and 52/235 of 26 June 1998,

Reaffirming its resolution 41/213 of 19 December 1986,

Reaffirming the Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation,

Noting the proposals made by the Secretary-General for the utilization of the development dividend,[5]

[5] A/53/374, section III.

Stressing the need to use the Development Account for projects related to the development priorities of the medium-term plan,

1. *Approves*, from the eight proposals made in the report of the Secretary-General,[5] proposals:

A. Promotion of electronic commerce (United Nations Conference on Trade and Development);

B. Capacity-building in economic and social policy analysis in Africa through the networking of expertise (Economic Commission for Africa);

D. Computer and telecommunication system for international and national drug control (United Nations International Drug Control Programme);

E. Capacity-building and networking for the implementation of the Habitat Agenda in least developed countries (United Nations Centre for Human Settlements),

on an ad hoc and one-time basis only, without setting a precedent and without prejudicing the outcome of its consideration of the sustainability and establishment of the mechanism and modalities of the Development Account;

2. *Emphasizes* that, in the implementation of those proposals, emphasis should be placed on the promotion of development activities and that the implementation should demonstrate the benefits accruing in building national capacities, particularly in developing countries, and also in countries with economies in transition;

3. *Stresses* that, in the implementation of the proposals, particular attention should be given to the utilization of technical, human and other resources available in the developing countries;

4. *Decides* that the proposals should be reformulated and implemented in accordance with the relevant Financial Regulations and Rules of the United Nations and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, as revised by the Assembly in its resolution 53/207 of 18 December 1998;

5. *Requests* the Secretary-General to reformulate the other proposals contained in his report along the following criteria: projects should (a) have multiplier effects and promote capacity-building primarily in developing countries, (b) promote regional and interregional economic and technical cooperation among the developing countries and © use available human and technical resources from the developing regions, and to submit those reformulated proposals to the General Assembly at the second part of its resumed fifty-third session;

6. *Decides* to keep the implementation of the proposals under review, and requests the Secretary-General to submit a report to the General Assembly on the utilization of the development dividend, in accordance with relevant regulations and rules;

7. *Also decides* to continue consideration of the sustainability, mechanism and modalities of the Development Account during the resumed fifty-third session.

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14. The Fifth Committee also recommends to the General Assembly the adoption of the following draft decision:

Impact of the implementation of pilot projects on budgetary practices and procedures

The General Assembly:

(a) Takes note of the note by the Secretary-General on the impact of the implementation of pilot projects on budgetary practices and procedures;[6]

(b) Regrets that the information requested in General Assembly decision 53/456 of 18 December 1998 has not been submitted;

(c) Decides to defer consideration of the question of the impact of the implementation of pilot projects on budgetary practices and procedures to the second part of its resumed fifty-third session.

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[6] A/C.5/53/53 and Corr.1.